

Montana State Legislature

2015 SESSION

ADDITIONAL DOCUMENTS

Business Page

[Signed by Chairman]

Roll Call

Standing Committee Reports

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***Any other documents, which were submitted after the committee hearing has ended and/or was submitted late [within 48 hours], regarding information in the committee hearing.**

***Witness Statements that were not presented as exhibits.**

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2015 Legislative

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BUSINESS REPORT

**MONTANA SENATE
64th LEGISLATURE - REGULAR SESSION**

SENATE BUSINESS, LABOR, AND ECONOMIC AFFAIRS COMMITTEE

Date: Monday, February 23, 2015

Place: Capitol

Time: 10:00 A.M.

Room: 422

BILLS and RESOLUTIONS HEARD:

SB 306 - Generally revise laws on notarial acts - Sen. Elsie Arntzen

SB 351 - Prohibit compulsive union membership for a person under age 18 - Sen. Mark Blasdel

SB 358 - Revise Long Term Care and Medicare Supplement Rating Laws - Sen. Brian Hoven

SB 381 - Generally revise insurance laws for transportation network companies - Sen. Tom Facey

SR 12 - Confirm Governor's appointees to the board of housing - Sen. Edward Buttrey

EXECUTIVE ACTION TAKEN:

SB 258, SB 346 Do Pass As Amended

SB 347, SB 306, SB 351, SB 254 Do Pass

SB 162, SB 310, SB 381 Tabled

SR 12 Do Pass

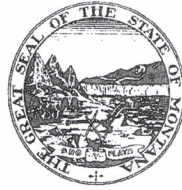
Comments:



SEN. Edward Buttrey, Chair

DATE: Feb. 23, 2015

[illegible]



**PRELIMINARY
SENATE STANDING COMMITTEE REPORT**

**February 23, 2015
Page 1 of 1**

Madame President:

We, your committee on **Business, Labor, and Economic Affairs** report that **Senate Resolution 12** (first reading copy -- white) **be adopted.**

Signed: _____


Senator Edward Buttrely, Chair

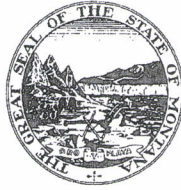
- END -

Committee Vote:

Yes 9, No 0

Fiscal Note Required ____

SR0012001SC.spt



SENATE STANDING COMMITTEE REPORT

February 23, 2015
Page 1 of 1

Madame President:

We, your committee on **Business, Labor, and Economic Affairs** report that **Senate Bill 258** (first reading copy -- white) **do pass as amended.**

Signed: _____

Senator Edward Buttrely, Chair

And, that such amendments read:

1. Page 8, line 4.

Strike: "employer"

Insert: "employee" or "worker"

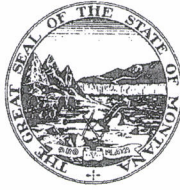
- END -

Committee Vote:

Yes 10, No 0

Fiscal Note Required ☐

SB0258001SC.spt



SENATE STANDING COMMITTEE REPORT

February 23, 2015

Page 1 of 7

Madame President:

We, your committee on **Business, Labor, and Economic Affairs** report that **Senate Bill 346** (first reading copy -- white) **do pass as amended.**

Signed: _____

Senator Edward Buttrely, Chair

And, that such amendments read:

1. Title, page 1, line 5.

Following: "MANAGERS;"

Insert: "AMENDING THE DEFINITION OF "DESIGNATED MANAGER";
AMENDING THE EXPERIENCE REQUIREMENT FOR CERTAIN DESIGNATED
MANAGERS;"

2. Title, page 1, line 7.

Strike: "32-9-116 AND 32-9-122"

Insert: "32-9-103 AND 32-9-109"

3. Page 1, line 11 through Page 3, line 1.

Strike: everything after the enacting clause

Insert: "**Section 1.** Section 32-9-103, MCA, is amended to read:

"**32-9-103. Definitions.** As used in this part, the following definitions apply:

(1) "Administrative or clerical tasks" mean the receipt, collection, and distribution of information common for the processing or underwriting of a loan in the mortgage industry, without performing any analysis of the information, and communication with a consumer to obtain information necessary for the processing or underwriting of a residential mortgage loan.

(2) "Advertising" means a commercial message in any medium that promotes, either directly or indirectly, a residential mortgage lending transaction.

(3) "Application" means a request, in any form, for an offer of residential mortgage loan terms or a response to a solicitation of an offer of residential mortgage loan terms and

Committee Vote:

Yes 6, No 4

Fiscal Note Required ☐

includes the information about the borrower that is customary or necessary in a decision on whether to make such an offer.

(4) "Approved education course" means any course approved by the NMLS.

(5) "Approved test provider" means any test provider approved by the NMLS.

(6) "Bona fide not-for-profit entity" means an entity that:

(a) maintains tax-exempt status under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code, 26 U.S.C. 501(c)(3) or 501(c)(4);

(b) promotes affordable housing or provides homeownership education or similar services;

(c) conducts its activities in a manner that serves public or charitable purposes, rather than commercial purposes;

(d) receives funding and revenue and charges fees in a manner that does not create incentives for the entity or its employees to act other than in the best interests of its clients;

(e) compensates employees in a manner that does not create incentives for employees to act other than in the best interests of clients;

(f) provides to or identifies for the borrower residential mortgage loans with terms that are favorable to the borrower and comparable to mortgage loans and housing assistance provided under government housing assistance programs. For purposes of this subsection (6)(f), for residential mortgage loans to have terms that are favorable to the borrower, the department shall determine that the terms are consistent with loan origination in a public or charitable context, rather than a commercial context.

(g) is either certified by the U.S. department of housing and urban development or has received a community housing development organization designation as defined in 24 CFR 92.2.

(7) "Bona fide third party" means a person that provides services relative to the origination of a residential mortgage loan. The term includes but is not limited to real estate appraisers and credit reporting agencies.

(8) "Borrower" means a person seeking a residential mortgage loan or an obligor on a residential mortgage loan.

(9) "Branch office" means a location at which a licensee conducts business other than a licensee's principal place of business. The location is considered a branch office if:

(a) the address of the location appears on business cards, stationery, or advertising used by the entity;

(b) the entity's name or advertising suggests that mortgages are made at the location;

(c) the location is held out to the public as a licensee's place of business due to the actions of an employee or independent contractor of the entity; or

(d) the location is controlled directly or indirectly by the entity.

(10) "Commercial context" means that an individual who acts as a mortgage loan originator does so for the purpose of

obtaining profit for an entity or individual for which the individual acts, including a sole proprietorship or other entity that includes only the individual, rather than exclusively for public, charitable, or family purposes.

(11) (a) "Control" means the power, directly or indirectly, to direct the management or policies of an entity, whether through ownership of securities, by contract, or otherwise.

(b) A person is presumed to control an entity if that person:

(i) is a director, general partner, or executive officer or is an individual that occupies a similar position or performs a similar function;

(ii) directly or indirectly has the right to vote 10% or more of a class of a voting security or has the power to sell or direct the sale of 10% or more of a class of voting securities;

(iii) in the case of a limited liability company, is a managing member; or

(iv) in the case of a partnership, has the right to receive upon dissolution or has contributed 10% or more of the capital.

(12) "Department" means the department of administration provided for in 2-15-1001, acting through its division of banking and financial institutions.

(13) "Depository institution" has the meaning provided in section 3 of the Federal Deposit Insurance Act, 12 U.S.C. 1813(c), and includes any credit union.

(14) "Designated manager" means a mortgage loan originator ~~with at least 3 years of experience as a mortgage loan originator or registered mortgage loan originator~~ who is designated by an entity as the individual responsible for the operation of a particular location that is under the designated manager's full management, supervision, and control ~~and who:~~

(a) has at least 3 years of experience as a mortgage loan originator or registered mortgage loan originator; or

(b) meets the requirements of 32-9-109(3).

(15) "Dwelling" has the meaning provided in 15 U.S.C. 1602(w).

(16) "Entity" means a business organization, including a sole proprietorship.

(17) "Escrow account" means a depository account with a financial institution that provides deposit insurance and that is separate and distinct from any personal, business, or other account of the mortgage lender or mortgage servicer and is maintained solely for the holding and payment of escrow funds.

(18) "Escrow funds" means funds entrusted to a mortgage lender or mortgage servicer by a borrower for payment of taxes, insurance, or other payments to be made in connection with the servicing of a loan.

(19) "Expungement" means a court-ordered process that involves the destruction of documentation related to past arrests and convictions.

(20) "Federal banking agency" means the board of governors

of the federal reserve system, the comptroller of the currency, the national credit union administration, or the federal deposit insurance corporation.

(21) "Housing finance agency" includes the Montana board of housing provided for in 2-15-1814.

(22) "Independent contractor" means an individual who performs duties other than at the direction of and subject to the supervision and instruction of another individual who is licensed and registered in accordance with this part or who is not required to be licensed in accordance with 32-9-104(1)(b), (1)(d), or (1)(g).

(23) "Individual" means a natural person.

(24) "Licensee" means a person authorized pursuant to this part to engage in activities regulated by this part. The term does not include an individual who is a registered mortgage loan originator.

(25) "Loan commitment" means a statement transmitted in writing or electronically by a mortgage lender setting forth the terms and conditions upon which the mortgage lender is willing to make a particular residential mortgage loan to a particular borrower.

(26) (a) "Loan processor or underwriter" means an individual who, with respect to the origination of a residential mortgage loan, performs administrative or clerical tasks as an employee at the direction of and subject to the supervision of a licensed mortgage loan originator or registered mortgage loan originator.

(b) For the purposes of subsection (26)(a), "origination of a residential mortgage loan" means all activities related to a residential mortgage loan from the taking of a residential mortgage loan application through the completion of all required loan closing documents and funding of the residential mortgage loan.

(27) "Mortgage" means a consensual interest in real property located in Montana, including improvements, securing a debt evidenced by a mortgage, trust indenture, deed of trust, or other lien on real property.

(28) (a) "Mortgage broker" means an entity that obtains, attempts to obtain, or assists in obtaining a mortgage loan for a borrower from a mortgage lender in return for consideration or in anticipation of consideration.

(b) For purposes of this subsection (28), attempting to or assisting in obtaining a mortgage loan includes referring a borrower to a mortgage lender or mortgage broker, soliciting or offering to solicit a mortgage loan on behalf of a borrower, or negotiating or offering to negotiate the terms or conditions of a mortgage loan with a mortgage lender on behalf of a borrower.

(29) "Mortgage lender" means an entity that closes a residential mortgage loan, advances funds, offers to advance funds, or commits to advancing funds for a mortgage loan applicant.

(30) (a) "Mortgage loan originator" means an individual who for compensation or gain or in the expectation of compensation or gain:

- (i) takes a residential mortgage loan application; or
- (ii) offers or negotiates terms of a residential mortgage loan.

(b) The term does not include an individual:

- (i) engaged solely as a loan processor or underwriter, except as provided in 32-9-129; or
- (ii) involved solely in extensions of credit relating to timeshare plans, as that term is defined in 11 U.S.C. 101(53D).

(31) "Mortgage servicer" means an entity that:

- (a) engages, for compensation or gain from another or on its own behalf, in the business of receiving any scheduled periodic payment from a borrower pursuant to the terms of a residential mortgage loan, residential mortgage servicing documents, or a residential mortgage servicing contract; or
- (b) meets the definition of servicer in 12 U.S.C.

2605(i)(2) with respect to residential mortgage loans.

(32) "Nationwide mortgage licensing system and registry" or "NMLS" means a licensing system developed and maintained by the conference of state bank supervisors and the American association of residential mortgage regulators for the registration and licensing of persons providing nondepository financial services.

(33) "Nontraditional mortgage product" means any mortgage product other than a 30-year, fixed-rate mortgage.

(34) "Person" means an individual, sole proprietorship, corporation, company, limited liability company, partnership, limited liability partnership, trust, or association.

(35) "Real estate brokerage activities" means activities that involve offering or providing real estate brokerage services to the public, including:

- (a) acting as a real estate salesperson or real estate broker for a buyer, seller, lessor, or lessee of real property;

- (b) bringing together parties interested in the sale, purchase, lease, rental, or exchange of real property;

- (c) negotiating, on behalf of any party, any portion of a contract relating to the sale, purchase, lease, rental, or exchange of real property other than in connection with providing financing with respect to the transaction;

- (d) engaging in any activity for which a person is required to be licensed as a real estate salesperson or real estate broker under Montana law; or

- (e) offering to engage in any activity or act in any capacity described in subsections (35)(a) through (35)(d).

(36) "Registered mortgage loan originator" means an individual who:

- (a) meets the definition of mortgage loan originator and is an employee of:

- (i) a depository institution;

- (ii) a subsidiary that is wholly owned and controlled by a

depository institution and regulated by a federal banking agency;
or

(iii) an institution regulated by the farm credit
administration; and

(b) is registered with and maintains a unique identifier
through the NMLS.

(37) "Regularly engage" means that a person:

(a) has engaged in the business of a mortgage broker,
mortgage lender, mortgage servicer, or mortgage loan originator
on more than 12 residential mortgage loans in the previous
calendar year or expects to engage in the business of a mortgage
broker, mortgage lender, mortgage servicer, or mortgage loan
originator on more than 12 residential mortgage loans in the
current calendar year; or

(b) has served as the prospective source of financing or
performed other phases of loan originations on more than 12
residential mortgage loans in the previous calendar year or
expects to serve as the prospective source of financing or
perform some other phases of loan origination on more than 12
residential mortgage loans in the current calendar year.

(38) "Residential mortgage loan" means a loan primarily for
personal, family, or household use secured by a mortgage, deed of
trust, or other equivalent consensual security interest on a
dwelling or on residential real estate located in Montana.

(39) "Residential real estate" means any real property
located in the state of Montana upon which is constructed a
dwelling or upon which a dwelling is intended to be built within
a 2-year period, subject to 24 CFR 3500.5(b)(4). The borrower's
intent to construct a dwelling is presumed unless the borrower
has submitted a written, signed statement to the contrary.

(40) "Ultimate equity owner" means an individual who,
directly or indirectly, owns or controls an ownership interest in
a corporation, a foreign corporation, an alien business
organization, or any other form of business organization,
regardless of whether the individual owns or controls an
ownership interest, individually or in any combination, through
one or more persons or one or more proxies, powers of attorney,
nominees, corporations, associations, partnerships, trusts,
joint-stock companies, or other entities or devices.

(41) "Unique identifier" means a number or other identifier
assigned by protocols established by the NMLS. (See part
compiler's comment regarding contingent suspension.)"

Insert: "Section 2. Section 32-9-109, MCA, is amended to read:

"32-9-109. Experience requirements. (1) An individual may
not act as a designated manager without a minimum of 3 years of
experience working as a mortgage loan originator or in a related
field.

(2) The department shall by rule establish what constitutes
work in a related field.

(3) An individual meets the experience requirements of
subsection (1) if the individual:

(a) is under an exclusive written contract with and originates residential mortgage loans solely on behalf of a federally chartered savings bank;

(b) holds a current insurance producer license under Title 33, chapter 17, that is not suspended or revoked; and

(c) has a current notice of appointment under 33-17-231 from an insurer that controls, is controlled by, or is under common control with the same federally chartered savings bank that is an exclusive contract and licensing sufficient to meet the requirements of subsection (1). (See part compiler's comment regarding contingent suspension.)""

- END -



SENATE STANDING COMMITTEE REPORT


February 23, 2015

Page 1 of 1

Madame President:

We, your committee on **Business, Labor, and Economic Affairs** report that **Senate Bill 347**
(first reading copy -- white) do pass.

Signed: _____


Senator Edward Buttrely, Chair

- END -

Committee Vote:

Yes 10, No 0

Fiscal Note Required ☐

SB0347001SC.spt



SENATE STANDING COMMITTEE REPORT

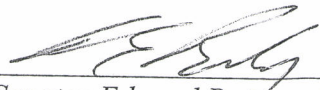
February 23, 2015

Page 1 of 1

Madame President:

We, your committee on **Business, Labor, and Economic Affairs** report that **Senate Bill 306** (first reading copy -- white) **do pass**.

Signed: _____


Senator Edward Buttrely, Chair

- END -

Committee Vote:

Yes 10, No 0

Fiscal Note Required X

SB0306001SC.spt



SENATE STANDING COMMITTEE REPORT

February 23, 2015

Page 1 of 1

Madame President:

We, your committee on **Business, Labor, and Economic Affairs** report that **Senate Bill 351**
(first reading copy -- white) **do pass.**

Signed: _____

A handwritten signature in dark ink, appearing to read "E. Buttrey", is written over a horizontal line.

Senator Edward Buttrey, Chair

- END -

Committee Vote:

Yes 6, No 4

Fiscal Note Required ☐

SB0351001SC.spt



SENATE STANDING COMMITTEE REPORT

February 23, 2015

Page 1 of 1

Madame President:

We, your committee on **Business, Labor, and Economic Affairs** report that **Senate Bill 254**
(first reading copy -- white) **do pass.**

Signed: _____

Senator Edward Buttrely, Chair

- END -

Committee Vote:

Yes 6, No 4

Fiscal Note Required X

BILL TABLED NOTICE

SENATE BUSINESS, LABOR, AND ECONOMIC AFFAIRS COMMITTEE

The **SENATE BUSINESS, LABOR, AND ECONOMIC AFFAIRS COMMITTEE** TABLED

SB 162 - Require recording of mortgages and assignments of mortgages - Sen. Bob Keenan

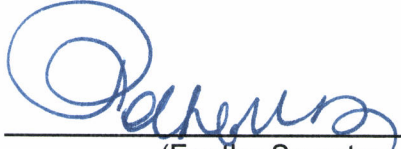
SB 310 - Provide unemployment benefits to certain school employees - Sen. Lea Whitford

SB 381 - Generally revise insurance laws for transportation network companies - Sen. Tom Facey

by motion, on **Monday, February 23, 2015** (PLEASE USE THIS ACTION DATE IN LAWS BILL STATUS).



(For the Committee)



(For the Secretary of the Senate)
1:30 / 2/23
(Time) (Date)

February 23, 2015 (1:06pm)

Linda Keim, Secretary

Phone: 444-4315

MONTANA STATE SENATE
Roll Call Vote
BUSINESS, LABOR, AND ECONOMIC AFFAIRS COMMITTEE

DATE 2-23-15 BILL NO. SB310 MOTION NO. DP
 MOTION: _____

4-6

<u>NAME</u>	<u>AYE</u>	<u>NO</u>	If Proxy Vote, check here & include signed Proxy Form with minutes
VICE CHAIR ELSIE ARNTZEN		✓	
SENATOR DEE BROWN		✓	
SENATOR PAT CONNELL		✓	
SENATOR TOM FACEY	✓		
SENATOR CARY SMITH		✓	
SENATOR SHARON STEWART-PEREGOY	✓		
SENATOR GORDON VANCE		✓	
SENATOR GENE VUCKOVICH	✓		
SENATOR LEA WHITFORD	✓		
CHAIRMAN ED BUTTREY		✓	

MONTANA STATE SENATE
Roll Call Vote
BUSINESS, LABOR, AND ECONOMIC AFFAIRS COMMITTEE

DATE 2-23-15 BILL NO. SB346 MOTION NO. DPAA
 MOTION: _____

6-4

<u>NAME</u>	<u>AYE</u>	<u>NO</u>	If Proxy Vote, check here & include signed Proxy Form with minutes
VICE CHAIR ELSIE ARNTZEN	✓		
SENATOR DEE BROWN		✓	
SENATOR PAT CONNELL	✓		
SENATOR TOM FACEY	✓		
SENATOR CARY SMITH	✓		
SENATOR SHARON STEWART-PEREGOY		✓	
SENATOR GORDON VANCE	✓		
SENATOR GENE VUCKOVICH	✓		
SENATOR LEA WHITFORD	✗	✓	
CHAIRMAN ED BUTTREY		✓	

MONTANA STATE SENATE
Roll Call Vote
BUSINESS, LABOR, AND ECONOMIC AFFAIRS COMMITTEE

DATE 2-23-15 BILL NO SB351 MOTION NO. DP
 MOTION: _____

6-4

NAME	AYE	NO	If Proxy Vote, check here & include signed Proxy Form with minutes
VICE CHAIR ELSIE ARNTZEN	✓		
SENATOR DEE BROWN	✓		
SENATOR PAT CONNELL	✓		
SENATOR TOM FACEY		✓	
SENATOR CARY SMITH	✓		
SENATOR SHARON STEWART-PEREGOY		✓	
SENATOR GORDON VANCE	✓		
SENATOR GENE VUCKOVICH		✓	
SENATOR LEA WHITFORD		✓	
CHAIRMAN ED BUTTREY	✓		

MONTANA STATE SENATE
Roll Call Vote
BUSINESS, LABOR, AND ECONOMIC AFFAIRS COMMITTEE

DATE 2-23-15 BILL NO SB381 MOTION NO. DP
 MOTION: _____

4-6

<u>NAME</u>	<u>AYE</u>	<u>NO</u>	If Proxy Vote, check here & include signed Proxy Form with minutes
VICE CHAIR ELSIE ARNTZEN		✓	
SENATOR DEE BROWN		✓	
SENATOR PAT CONNELL		✓	
SENATOR TOM FACEY	✓		
SENATOR CARY SMITH		✓	
SENATOR SHARON STEWART-PEREGOY	✓		
SENATOR GORDON VANCE		✓	
SENATOR GENE VUCKOVICH		✓	
SENATOR LEA WHITFORD	✓		
CHAIRMAN ED BUTTREY	✓		

MONTANA STATE SENATE
Roll Call Vote
BUSINESS, LABOR, AND ECONOMIC AFFAIRS COMMITTEE

DATE 2-23-15 BILL NO S/B254 MOTION NO. DP
 MOTION: _____

6-4

<u>NAME</u>	<u>AYE</u>	<u>NO</u>	If Proxy Vote, check here & include signed Proxy Form with minutes
VICE CHAIR ELSIE ARNTZEN		✓	
SENATOR DEE BROWN	✓		
SENATOR PAT CONNELL	✓		
SENATOR TOM FACEY	✓		
SENATOR CARY SMITH		✓	
SENATOR SHARON STEWART-PEREGOY	✓		
SENATOR GORDON VANCE		✓	
SENATOR GENE VUCKOVICH	✓		
SENATOR LEA WHITFORD	✓		
CHAIRMAN ED BUTTREY		✓	

MONTANA STATE SENATE
Roll Call Vote
BUSINESS, LABOR, AND ECONOMIC AFFAIRS COMMITTEE

DATE 2-23-15 BILL NO SB162 MOTION NO. _____
MOTION: _____

Take off Table

6-4

<u>NAME</u>	<u>AYE</u>	<u>NO</u>	If Proxy Vote, check here & include signed Proxy Form with minutes
VICE CHAIR ELSIE ARNTZEN		✓	
SENATOR DEE BROWN	✓		
SENATOR PAT CONNELL		✓	
SENATOR TOM FACEY	✓		
SENATOR CARY SMITH	✓		
SENATOR SHARON STEWART-PEREGOY		✓	
SENATOR GORDON VANCE	✓		
SENATOR GENE VUCKOVICH	✓		
SENATOR LEA WHITFORD	✓		
CHAIRMAN ED BUTTREY		✓	

MONTANA STATE SENATE
Roll Call Vote
BUSINESS, LABOR, AND ECONOMIC AFFAIRS COMMITTEE

DATE 3-23-15 BILL NO SB162 MOTION NO. DP
 MOTION: _____

NAME	AYE	NO	If Proxy Vote, check here & include signed Proxy Form with minutes
VICE CHAIR ELSIE ARNTZEN		✓	
SENATOR DEE BROWN	✓		
SENATOR PAT CONNELL		✓	
SENATOR TOM FACEY	✓		
SENATOR CARY SMITH	✓		
SENATOR SHARON STEWART-PEREGOY		✓	
SENATOR GORDON VANCE	✓		
SENATOR GENE VUCKOVICH		✓	
SENATOR LEA WHITFORD		✓	
CHAIRMAN ED BUTTREY		✓	

MONTANA STATE SENATE

Visitors Register

SENATE BUSINESS, LABOR, AND ECONOMIC AFFAIRS COMMITTEE

Monday, February 23, 2015

SB 358 - Revise Long Term Care and Medicare Supplement Rating Laws

Sponsor: **Sen. Brian Hoven**

PLEASE PRINT

[illegible]

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA STATE SENATE

Visitors Register

SENATE BUSINESS, LABOR, AND ECONOMIC AFFAIRS COMMITTEE

Monday, February 23, 2015

SB 351 - Prohibit compulsive union membership for a person under age 18

Sponsor: **Sen. Mark Blasdel**

PLEASE PRINT

[illegible]

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA STATE SENATE
Visitors Register
SENATE BUSINESS, LABOR, AND ECONOMIC AFFAIRS COMMITTEE

Monday, February 23, 2015

SR 12 - Confirm Governor's appointees to the board of housing

Sponsor: **Sen. Edward Buttrey**

PLEASE PRINT

[illegible]

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

February 23, 2015

Montana State Legislature
Senate Business, Labor, and Economic Affairs Committee
P.O. Box 200400
Helena, MT 59620-0400

sent via email to:
lkeim@mt.gov

Re: NAMIC's written comments in support of SB 381, TNC Insurance

Dear Senator Buttrey, Chair; Senator Anntzen, Vice-Chair; Senator Stewart-Peregory, Vice-Chair; and honorable members of the Senate Business, Labor, and Economic Affairs Committee:

Thank you for affording the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit written testimony to the Senate Business, Labor, and Economic Affairs Committee for the February 23, 2015, public hearing.

NAMIC is the largest property/casualty insurance trade association in the country, serving regional and local mutual insurance companies on main streets across America as well as many of the country's largest national insurers.

The 1,400 NAMIC member companies serve more than 135 million auto, home and business policyholders and write more than \$196 billion in annual premiums, accounting for 50 percent of the automobile/homeowners market and 31 percent of the business insurance market. NAMIC has 134 members who write property/casualty insurance in the State of Montana, which represents 40% of the insurance marketplace.

Through our advocacy programs we promote public policy solutions that benefit NAMIC companies and the consumers we serve. Our educational programs enable us to become better leaders in our companies and the insurance industry for the benefit of our policyholders.

NAMIC's members appreciate the importance of business innovation and we support the development and growth of transportation network companies (TNCs) and other "sharing-economy" business endeavors. Consequently, NAMIC supports SB 381 as a fair, appropriate, and efficient legislative approach to address the "insurance coverage gap" problem created by the TNC business model.

NAMIC believes that TNCs, like all other business operations, need to take full responsibility for the legal liability exposure and public safety risks posed by their business activities, and SB 381 promotes "responsible" TNC business operations.

The proposed legislation is consistent with pro-business innovation, pro-consumer-protection, and pro-business responsibility TNC legislation, which has been introduced in state legislatures throughout the country. Additionally, the proposed legislation is modeled after the California law, which Uber helped draft and specifically heralded as having an insurance coverage requirement they could embrace.

SB 381, like the TNC laws that have been enacted in other states and the laws pending enactment this year, recognizes the clear demarcation between commercial auto activities and private passenger auto activities, and the importance of not allowing TNC activities to become an unnecessary insurance rate cost-driver for private passenger auto insurance consumers.

Consequently, NAMIC respectfully requests that this committee **VOTE YES on SB 381** so that the TNC industry is properly regulated to preserve the availability and affordability of private passenger auto insurance coverage, address public safety concerns created by the TNC model, and establish a sound public policy and legal framework for the growth of the TNC industry and the development of new "sharing economy" business models.

Thank you for your time and consideration. Please feel free to contact me at 303.907.0587 or at crataj@namic.org, if you would like to discuss NAMIC's written testimony.

Respectfully,



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